The following Remarks are in response to the Office action mailed May 12, 2008.

Claims 1-16 remain pending in the application. Applicant appreciates Examiner's

careful review of the present application.

Claim Rejections Under 35 U.S.C. § 103

I. Claims 1, and 3-16 were rejected under 35 U.S.C. 103(a) as being unpatentable

over Pratt et al. (US Pat No. 5,315,505, hereinafter referred to as "Pratt") in view of

Applicant admission of prior art (hereinafter referred to as "AAP"), and further in view

of Polk (US Pat No. 7,072,909).

II. Claim 2 was rejected under 35 U.S.C. 103(a) as being unpatentable over Pratt in

view of AAP, in view of Polk, and further in view of Schuler et al. (US Pat No.

5,855,005, hereinafter referred to as "Schuler").

Applicant requests reconsideration and removal of the rejections and allowance of

claims 1-16. The following remarks are responsive to the rejections:

Claims 1-7

Claim 1 recites in part:

"a return receipt identification module for downloading a return receipt from

the customs system, for determining whether a declaration is acceptable

based on the return receipt, for determining whether information on book

inventory matches information on physical inventory, and for providing an

explanation report on balancing of book inventory and physical inventory."

Applicant submits that none of Pratt, AAP, Polk, or their combination, teaches or

otherwise suggests the invention having the above-highlighted features as set forth in

claim 1.

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On page 4 of the Office action, Examiner stated that Pratt does not teach or suggest the feature of determining whether a declaration is acceptable, but further asserted that AAP teaches determining whether a declaration is acceptable (paragraph [0004]). Applicant submits that the prior art, which Examiner stated as Applicant admitted prior art (AAP), provides no teaching or suggestion in relation to the above-highlighted feature in paragraph [0004] in "Background of the Invention" or "Information Disclosure Sheet" of the present application as originally filed. Applicant states that the teaching or suggestion to make the claimed combination including the claimed feature of "determining whether a declaration is acceptable based on the return receipt" must be found in the prior art and not based on Applicant's disclosure. Furthermore, Polk does not teach or suggest the above-highlighted feature either. Accordingly, applicant submits that any combination of Pratt, AAP, and Polk does not teach or suggest the above-highlighted feature.

Furthermore, Pratt teaches that a computer is programmed to compare the net amount of drugs taken from the inventory with the amount of drugs used in treatment in an animal hospital. The difference between the two amounts of drugs can be determined for monitoring loss due to breakage, theft, etc. This difference and the comparable amounts are printed at request as a drug usage report (column 6, lines 2-12).

As seen from these teachings of Pratt, it is understood that the drug usage report describes the difference between the two amounts, which correspond to a book inventory and a physical inventory of claim 1. However, the computer of Pratt cannot balance these two amounts, thus the drug usage report does not describe the balancing of the two amounts. On the contrary, the return receipt identification module of claim 1 can balance book inventory and physical inventory, and further can provide an explanation report on balancing of the book inventory and the physical inventory. Accordingly, Applicant submits that the explanation report of claim 1 is distinctly and patentably different from the drug usage report disclosed by Pratt. That is, Pratt fails to

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disclose, teach or suggest the feature of "providing an explanation report on balancing

of book inventory and physical inventory," as recited in claim 1 of the present

application. Furthermore, Polk does not teach or suggest the above-highlighted feature

either. Accordingly, Applicant submits that any combination of Pratt, AAP, and Polk

does not teach or suggest the above-highlighted feature.

In addition, claim 1 recites in part:

"a data collection module for collecting demanded data on auditing, wherein the

demanded data on auditing includes information on physical inventory,

information on book inventory, information on quantities of in-process materials

and information on units of in-process materials, the information on units of in-

process materials being accounting units of in-process materials; [... and]

a data inquiry module for inquiring of data on auditing, the data on auditing

including declarations, electronic account books, return receipts and

information on a customs bulletin board."

Applicant submits that none of Pratt, AAP, Polk, or their combination, teaches or

otherwise suggests the invention having the above-highlighted feature as set forth in

claim 1.

Pratt discloses that an inventory menu option is selected for monitoring the

inventory. For example, one choice is to print the daily inventory report, with the book

inventory, restocking information, and transactions grouped by product. Another option

is to manually adjust the inventory in case of a breakage of drugs within the inventory.

Other options include monitoring the difference between physical inventory as

determined by a count and book inventory as previously described (column 7, 12-33).

According to the disclosures above, it is apparent that the book inventory and the

physical inventory are disclosed by Pratt. However, there is no teaching or suggestion

in Pratt regarding the claimed feature "declarations, electronic account books, return

receipts and information on a customs bulletin board" of claim 1. That is, Pratt merely

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discloses the book inventory and the physical inventory included in the demanded data

on auditing, but does not teach or even suggest "the data on auditing including

declarations, electronic account books, return receipts and information on a customs

bulletin board," as recited in claim 1 of the present application. Furthermore, Polk does

not teach or suggest the above-highlighted feature either. Accordingly, Applicant

submits that any combination of Pratt, AAP, and Polk does not teach or suggest the

above-highlighted feature.

In conclusion, Applicant submits that none of Pratt, AAP, and Polk, or their

combination, teaches or otherwise suggests the invention having the above-highlighted

features as set forth in claim 1. That is, claim 1 is unobvious and patentable under 35

U.S.C. §103 over Pratt in view of AAP, and further in view of Polk. Reconsideration

and removal of the rejection and allowance of claim 1 are requested.

Since claims 3-7 depend directly from independent claim 1, and respectively recite

additional subject matter, claims 3-7 should also be allowable.

Regarding dependent claim 2, Applicant submits that Schuler does not provide any

additional teaching to the teachings of Pratt in view of AAP and in view of Polk, which

might lead one of ordinary skill in the art to conceive the invention of independent

claim 1. That is, claim 1 is unobvious and patentable under 35 U.S.C. §103 over Pratt

in view of AAP, in view of Polk, and further in view of Schuler. Thus, claim 2 is also

unobvious and patentable under 35 U.S.C. §103 over Pratt in view of AAP, in view of

Polk, and further in view of Schuler.

Claims 8-15

Claim 8 recites in part:

"determining whether a declaration is acceptable based on the return receipt;

determining whether the information on book inventory matches the information

on physical inventory; [and]

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providing an explanation report on balancing of physical inventory and book

inventory if the information on book inventory does not match the information on

physical inventory."

Claim 8 is a method claim corresponding to the periodical auditing system of claim

Referring to and incorporating herein the above-asserted reasons regarding the

patentability of claim 1, Applicant submits that none of Pratt, AAP, and Polk, or their

combination, teaches or otherwise suggests the invention having the above-highlighted

features as set forth in claim 8. Accordingly, claim 8 is unobvious and patentable under

35 U.S.C. §103 over Pratt in view of AAP, and further in view of Polk. Reconsideration

and removal of the rejection and allowance of claim 8 are requested.

Since claims 9-15 depend directly from independent claim 8, and respectively

recite additional subject matter, claims 9-15 should also be allowable.

Claim 16

Claim 16 recites in part:

"determining whether a declaration is acceptable based on the return receipt

determining whether the information on book inventory matches the information

on physical inventory; [and]

providing an explanation report on balancing of physical inventory and book

inventory if the information on book inventory does not match the information on

physical inventory."

For at least reasons similar and corresponding to those stated above in relation to

claims 1 and 8, Applicant submits that none of Pratt, AAP, and Polk, or their

combination, teaches or otherwise suggests the invention having the above-highlighted

features as set forth in claim 16. Accordingly, claim 16 is unobvious and patentable

under 35 U.S.C. §103 over Pratt in view of AAP, and further in view of Polk.

Reconsideration and removal of the rejection and allowance of claim 16 are requested.

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CONCLUSION

Applicant submits that the foregoing Response place this application in condition for allowance. If Examiner believes that there are any issues that can be resolved by a telephone conference, or that there are any informalities that can be corrected by an Examiner's amendment, please call the undersigned at 714.626.1224.

Respectfully,

Fenghua Zhou

By __/Frank R. Niranjan/____ Dated: June 20, 2008

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